REMARKS

After entry of the foregoing amendment, claims 1-34 are pending in the application.

The undersigned apologizes for the claim numbering error. The claims have been correctly re-numbered above.

Claims 13-21, 23-27 and 32-24 have been withdrawn from consideration due to a restriction requirement.

Applicants respectfully traverse the restriction requirement – it is not clear that the Office has met its prima facie burden of showing that the respective sets of claims are both independent and distinct. Moreover, even if the claims are independent and distinct, it is not evident that dividing the claims into three groups is required to avoid undue burden on the Office. Accordingly, withdrawal or modification of the restriction requirement is solicited.

With this traverse, Applicants confirm their previous election of the claims of Group I. If the restriction requirement is made final, Applicants will consider the inventorship of the remaining claims, and make any appropriate amendments re same.

Claims 1-12, 22 and 28-31 stand rejected under the judicially created doctrine of obviousness-type double patenting, as being unpatentable over claims in commonly-owned patents 6,700,990, 6,675,146, 6,647,129, 6,611,607 and 6,590,997.

Applicants respectfully submit that the conclusory form of obviousness-type double patenting rejection offered in the Action does not meet the Examiner's burden to establish a *prima facie* case of unpatentability. For example, the rejection did not analyze differences between the issued and pending claims. Nor did the rejection identify art that teaches or suggests the limitations missing from the issued claims. Nor did the rejection identify some suggestion or motivation that would have led an artisan to modify the arrangements defined in the issued claims. If the rejections are renewed, the Examiner is requested to provide such information for each of the rejected claims.

Claims 1-3, 28 and 30 stand rejected as anticipated by Schwab (5,134,496).

The Action characterizes Schwab as teaching an arrangement in which an embedded watermark is "substantially imperceptible" in the host signal. This characterization is believed to be in error.

Schwab is understood to teach an arrangement in which "code sequences are visually manifested as dropouts on a video monitor" (Abstract) and as a "video imperfection" (col. 2, line 26). This is not "imperceptible" (even if, to some viewers, it may be "acceptable"). No reference to imperceptibility is found in Schwab.

Moreover, the Action characterizes Schwab as teaching an arrangement that includes computing a content-specific message dependent on the host signal. Again, this characterization is believed to be in error.

Schwab's leading and trailing code sequences are related *to each other* (*i.e.*, by inversion; *see* col. 2, lines 39-41). And these codes are inserted only in scan lines meeting certain luminance criteria (col. 6, lines 23-25). However, he does not teach "computing a content specific message dependent on the host signal."

At col. 6, lines 56-60, Schwab states:

> *The leading code sequence is not determined in advance but, rather, is calculated based upon an algorithm, which calculates the ACT II code in three variables using the horizontal and vertical position on the screen, and the luminance value for the third condition.*

It is not clear what this means. There is no explanation of what an "ACT II code" is. There is no description of what manner of calculation is employed. The spec is silent on the "algorithm." There is no description of what "the luminance value for the third condition" means. Whatever was sought to be disclosed here fails for lack of enablement.

Claim 28 requires that the encoded message include "data representing locations of one or more salient features of the host signal." Schwab does not teach or suggest same. The Action addresses this limitation by stating:

> *...the encoding occurs in the luminance signals, so that the encoding occurs in the spatial domain for these video signal and therefore the salient features include spatial locations.*

However, this analysis does not meet the claim requirement.

Likewise, the Action's application of Schwab to claim 30 is factually mistaken.

In view of such points, Schwab cannot anticipate claims 1-3, 28 or 30. Given these exemplary deficiencies, other points that might be made concerning the art and the claims are not belabored.

Claims 4, 8-12, 22, 29 and 31 stand rejected over Schwab in view of Wang (5,134,496). Claims 5-7 stand rejected over Schwab in view of Bloomberg (5,337,361).

These rejections are predicated on the same mis-readings of Schwab identified earlier. Thus the art – even if combined – would fail to provide all of the claims' limitations.

Moreover, the Action fails to set forth legally cognizable rationales identifying the requisite suggestions or motivations that would have led an artisan to modify the arrangements disclosed by Schwab to yield the arrangements claimed.

Again, the Action fails to establish *prima facie* obviousness.

Favorable reconsideration and passage to issuance are solicited.

Respectfully submitted,

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